

Title V Program Overview and Fee Setting Background

Background

The Title V Operating Permit program was established by the federal Clean Air Act as amended in 1990. Federal law requires states to charge fees sufficient to cover all reasonable direct and indirect costs required to develop and administer the Title V program requirements (42 United States Code 7661a). The Air Quality Bureau (Bureau) developed the current Title V fee structure, including eligible program activities, with stakeholder collaboration since the early 1990s.

Annually Title V fees are charged to facilities regulated under Title V of the Clean Air Act (about 275 facilities in Iowa). Each facility must pay fees on the first 4,000 tons of each air pollutant emitted (emissions over 4,000 tons per pollutant, and emissions of carbon monoxide, and certain other pollutants are exempt). These emissions are considered, for budgetary purposes as “chargeable emissions.”

Budget and Fee Setting Process

Every year the Bureau develops a draft budget to cover all reasonable direct and indirect costs required to develop and administer the Title V program requirements. The Bureau then meets with a representative group of Title V fee payers and other interested stakeholders each January to discuss the draft and receive input. After considering this input, a revised draft budget is presented for information at the March Environmental Protection Commission (Commission) meeting.

The Title V fee is then calculated by dividing the estimated budget by the chargeable emissions (as reported by facilities each March 31). The Bureau provides that calculated fee to the Commission no later than the May meeting. The Commission is then asked to set the fee based on the program’s budget at the May meeting.

The Title V fees are due each July 1 and fund the program for the entire year. For example, the Title V fees to be paid on July 1, 2012, are based on 2011 emissions and will fund the program for state fiscal year (SFY) 2013, or July 1, 2012, to June 30, 2013.